

**FOR IMMEDIATE RELEASE****Petra Foods in €2.3 million JV with top French and US chocolate makers to help farmers in Ivory Coast improve quality of fermented cocoa beans**

- *The JV will establish up to 30 centers and enhance the livelihood of some 10,000 farmers - complementing the Group's global CSR efforts*
- *Promotes sustainability of cocoa bean supply and improves supply chain traceability*

**SINGAPORE - 19 May 2010 - Petra Foods Limited** ("Petra" or the "Group"), the **Cemoi Group** ("Cemoi") and the **Blommer Chocolate Company** ("Blommer") today announced the formation of a tri-partite joint venture to produce fermented cocoa beans in Africa's Ivory Coast.

The new Joint Venture (JV) company, with an operating subsidiary in the Ivory Coast, will be named PACTS (Processors Alliance for Cocoa Traceability and Sustainability). PACTS' mission will be to improve the supply of high quality fermented cocoa beans from the Ivory Coast while at the same time improving the livelihoods of the local cocoa farming community.

The three partners in the JV are all involved in the production of cocoa-derived products. Petra Foods is one of the world's major manufacturers and suppliers of cocoa ingredients and is a leading player in branded consumer confectionery products in the South East Asia region; Cemoi is the number one chocolate producer in France and the third-largest chocolate producer in Europe; and Blommer is the largest processor of cocoa beans and ingredient chocolate products in North America.

Over a three-year period, the JV will establish up to 30 fermentation centres at a total investment cost of approximately €2,300,000. Initially, the JV will work with up to 50 local co-operatives covering approximately 10,000 farmers. However, it is expected that the evident

benefits to the cocoa farming community (better prices earned from better quality fermented cocoa) will lead to a widespread acceptance of the quality techniques used by the JV.

The JV will also develop and implement advanced training and instruction programs for farmers in the Ivory Coast, currently the world's largest producer of cocoa beans (accounting for over 40% of global production). These programs will help enhance the incomes of local farmers by training them to improve efficiencies and increase yields of their farms.

From Petra Foods' perspective, its participation in the venture is in line with its strategy to source high quality cocoa beans within a sustainable framework. Initiatives such as the PACTS joint venture allows Petra to stay close to the cocoa farming community and at the same time assures a supply of high quality fermented cocoa beans. This further enhances traceability across the entire supply chain, because controlling raw materials at every point throughout the cocoa supply chain is an important factor in managing food safety, while it also ensures proper ethical and social aspects of sustainable cocoa production.

Commenting on the Joint Venture, Mr. John Chuang, Chief Executive Officer of Petra Foods Limited, said, "For Petra Foods, it has always been our goal to grow the Group in a sustainable and responsible manner through all our actions and through the initiatives that we undertake. This JV is a prime example of one of these initiatives. Furthermore through this venture, our work with the farmers is expected to improve the lot of the local farming community which very much complements Petra Foods' Corporate Social Responsibility (CSR) initiatives."

Mr. Chuang further added, "We are, therefore, looking forward to collaborating with Cemoi and Blommer and I am confident of the long term success of the partnership. This is a union of three partners sharing the common goals of enhancing the livelihoods of the farming community and improving the sustainability of cocoa bean supply."

For Petra Foods, its Corporate Social Responsibility mission seeks to achieve the following:

1. Embracing the needs of the community;
2. Caring for the environment; and
3. Acting in the interests of all its stakeholders.

Petra Foods' commitment to its CSR programs is actively managed and developed across all of the company's businesses worldwide. As part of its CSR objectives, which are local, regional, and global in scope, Petra Foods currently:

- Works closely with the International Finance Corporation (an affiliate of the World Bank) to help provide training and on-site assistance to 500 farmers in Sulawesi, Indonesia with plans to extend this program to 5,000 farmers;
- Is a member of the World Cocoa Foundation (WCF), an organisation formed to promote a sustainable cocoa economy through economic and social development and environmental stewardship in cocoa-growing communities;
- Is a partner in the Cocoa Livelihoods Program, an initiative of the Bill and Melinda Gates Foundation together with the WCF, that aids 200,000 cocoa farming households in Africa;
- Has started a program to build a new school library for the community in Bandung, Indonesia;
- Works closely with suppliers to improve traceability and food safety; and
- Limits the impact of its businesses on the environment by, using cocoa bean shells as a fuel alternative, installing a bio-filtration system to reduce cocoa odours, replacing fuel oil with compressed natural gas and steam, and installing on-site waste water purification programs.

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## **ABOUT PETRA FOODS LIMITED**

Listed on the SGX-ST since 5 November 2004, Petra Food Limited and its subsidiaries (“the Group”) is one of the world’s major manufacturers and suppliers for premium cocoa ingredients, namely cocoa powder, cocoa butter and cocoa liquor. The Group also manufactures and/or distributes branded consumer products, primarily chocolate confectionery products in the ASEAN region, for which it is the market leader in Indonesia.

The Group has two business divisions, **Cocoa Ingredients** and **Branded Consumer**.

### ***Cocoa Ingredients Division***

The Group manufactures and sells cocoa ingredients, under the “Delfi” brand, to over 30 countries worldwide. Its major customers are international food and beverage companies such as Nestlé, Kraft, Cadbury, the Mars Group, Arnott’s, A.B. Foods, Barry Callebaut and the Meiji Group.

### ***Branded Consumer Division***

The Group manufactures and/or distributes branded consumer products that are sold in over 17 countries including Indonesia, Singapore, Malaysia, Hong Kong, Australia, Thailand, the Philippines and China. Petra Foods has an established portfolio of chocolate confectionery brands which are household names in Indonesia include 10 master brands and 20 key sub brands and manufactures over 300 stock keeping units. Its flagship brands in Indonesia include “SilverQueen” and “Ceres” that were introduced in the 1950s and “Delfi” in the 1980s. In addition, the Group also distributes a well-known portfolio of 3<sup>rd</sup> Party brands in Indonesia, Singapore and Malaysia.

Headquartered in Singapore, Petra Foods has seven cocoa processing facilities (located in Indonesia, Malaysia, the Philippines, Thailand, Brazil, Mexico and Germany), one cocoa butter facility (located in France), two chocolate confectionery production facilities (located in Indonesia and the Philippines) and a total staff strength close to 6,000.

Petra Foods was awarded the top spot in the annual Singapore Enterprise 50 Award in 2003. In addition, it was recognised as the “Best Newly Listed Singapore Company in 2004” in AsiaMoney’s Best Managed Companies Poll 2004. Petra Foods was named the “Enterprise of the Year 2004” by the 20<sup>th</sup> Singapore Business Awards on 30 March 2005 and was named one of “Singapore’s 15 Most Valuable Brands” in November 2005 by IE Singapore.

Petra Foods won a Silver award for its inaugural annual report in the “Best Annual Report/Newly Listed Company” category in 2006 at the Singapore Corporate Awards. In April 2009, it clinched a Gold award in the “Best Annual Report/ Companies with \$300 million to less than \$1 billion in market capitalisation” category. In May 2010, it bagged two Silver awards for “Best Managed Board” and “Best Investor Relations” under the “companies with \$300 million to less than \$1 billion in market capitalisation” category.

## **ABOUT CEMOI GROUP**

The Cemoi Group was founded in 1814 and is the number one chocolate producer in France that prides itself in managing a cocoa “bean-to-bar” production strategy to ensure high quality products. For more information on Cemoi Group, please visit - <http://www.cemoi.fr>

## **ABOUT BLOMMER CHOCOLATE COMPANY**

Blommer was established in 1939 in Chicago, Illinois, USA. Today it is the largest processor of cocoa beans and ingredient chocolate products in North America. For more information on Blommer Chocolate Company, please visit - <http://www.blommer.com>

## **ABOUT WORLD COCOA FOUNDATION**

For more information on the World Cocoa Foundation, please visit - <http://www.worldcocoafoundation.org>

***Issued on behalf of Petra Foods Limited***

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